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RENEWABLE RESOURCE DEVELOPMENT GRANTS AND LOANS



If you know of a renewable resource in Montana which you would like to develop, and you need money to make that happen, the **Renewable Resource Development (RRD)** program, administered by the Department of Natural Resources and Conservation may be able to help.

Right now, RRD money is helping local governments plan areawide landfills. Members of the West Bench Irrigation District near Dillon received part of the money they needed to convert a flood irrigation system to an energy-efficient gravity sprinkler system from an RRD appropriation. And RRD funds are paying for the Triangle Conservation District's saline-seep reclamation program.

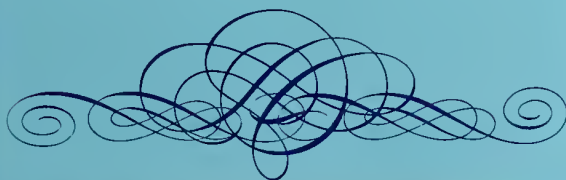
Past legislatures have appropriated coal severance tax money for these renewable resource grants and loans, and Montana law gives future legislatures authority to make more appropriations for similar projects. Coal tax revenues for this program amount to about 2 million dollars each biennium. The state is administering the collection and evaluation of RRD grant and loan applications through the **Water Resources Division** of the **DNRC**.

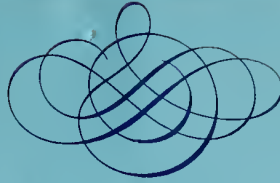
What Projects May Qualify?

Any division of state or local government may apply for RRD loans. Any division of state government or a division of local government sponsored by a division of state government may apply for RRD grants. Because funding is limited, projects with matching funds are preferred.

The law says the RRD program may provide funds:

for the purchase, lease, or construction of projects for the conservation, management, utilization, development, or preservation of the land, water, fish, wildlife, recreational, and other renewable resources in the state; for the purpose of feasibility and design studies for such projects; for development of plans for the rehabilitation, expansion, or modification of existing projects; and for such other and further similar purposes as the legislature may approve.





What Are the Conditions of the Loans?

The legislature may choose to sell bonds backed by coal tax revenues, therefore, loan amounts may exceed the average 2 million dollars in biennial tax revenue. The interest rate for loans which the Board of Natural Resources sets is limited to 1% higher than the prevailing interest rate on the RRD bonds. No loans may be approved which exceed 80% of the fair market value of the security given. The period for repayment of loans may not exceed 30 years.

How Does it Work?

Entities of government interested in applying for RRD funds should contact DNRC as early as possible. At that time, DNRC will provide application instructions. Applicants should be prepared to provide considerable background information.

The department will review and evaluate all qualified applications. Based upon this evaluation, DNRC will make recommendations to the Governor. The Governor may submit those recommendations to the Legislature in the form of a proposed law. Applicants will be expected to support their proposal at legislative hearings and through contact with their legislators. If the bill passes both houses and is signed by the Governor, the RRD monies will be appropriated for a period of two years. After the law is enacted, DNRC will notify each successful applicant and will prepare a contract for the administration and dispersal of funds.

When are Applications Due?

The department requires submission of all applications for each legislative session by July 1st of each even-numbered year. This schedule is necessary in order to allow the DNRC and the Governor to finish their recommendations in time to present well organized requests to the legislature

Montana State Library



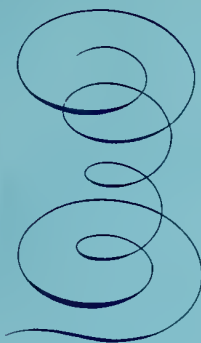
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For more Information . . .

Contact the Water Resources Division at:

Department of Natural Resources and Conservation
Renewable Resource Development Program
32 South Ewing
Helena, Montana 59601

Phone: (406)449-2872



**MONTANA DEPARTMENT OF NATURAL
RESOURCES & CONSERVATION**
WATER RESOURCES DIVISION

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DNRC

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